Consolidated Water Co. Ltd. Reports Higher Third Quarter Earnings

Company Announces Completion Of Equity Offering In The Bahamas

GEORGE TOWN, Grand Cayman, Cayman Islands (November 9, 2005) -- Consolidated Water Co. Ltd. (Nasdaq National Market: "CWCO"), which develops and operates seawater conversion plants and water distribution systems in areas where natural supplies of drinking (i.e., potable) water are scarce, today reported its operating results for the third quarter and first nine months of 2005.

(Note: All per-share amounts in this press release are adjusted for a 2-for-1 stock split distributed to shareholders August 25, 2005.)

For the quarter ended September 30, 2005, total revenue increased 17.5% to approximately $6.2 million, compared with $5.3 million in the third quarter of 2004. Net income improved to $1,009,349, or $0.08 per diluted share, versus $424,032, or $0.04 per diluted share, in the quarter ended September 30, 2004. The weighted average number of fully diluted shares outstanding totalled 12,141,924 in the most recent quarter, compared with 11,773,582 in the prior-year period.

Retail water sales increased 19.2% to approximately $3.0 million in the most recent quarter, when compared with approximately $2.5 million in the prior-year period. Bulk water sales increased 12.4%, from approximately $2.6 million in the third quarter of 2004 to approximately $2.9 million in the quarter ended September 30, 2005. Revenue from services increased 61.3% to $328,550 in the third quarter of 2005, compared with $203,741 in the prior-year period.

Gross margin on Retail sales improved to 55.8% in the most recent quarter, versus 49.3% a year earlier, while gross margin on Bulk sales approximated 14.7%, compared with 25.0% in the third quarter of 2004.

"While our water sales to hotels and condominiums in the third quarter continued to reflect the after-effects of Hurricane Ivan upon the tourism infrastructure in the Cayman Islands, retail sales improved 19.2% from the prior-year quarter as residential demand returned to normal levels," stated Rick McTaggart, President and Chief Executive Officer of Consolidated. "A number of lodging businesses have yet to complete repairs and fully reopen on Grand Cayman, but progress is evident all across the Island and tourist arrivals continue to recover.

A 12.4% increase in Bulk sales during the third quarter, when compared with the prior-year period, was primarily due to additional consumption by the Water Authority on Cayman as well as increased demand from our customer in Belize. In The Bahamas, we benefited from higher revenue related to the recovery of energy costs at our Windsor plant, which supplies the Nassau area, but this gain was offset by pricing adjustments associated with reduced deliveries related to the fouling of reverse osmosis membrane elements. We are remediating this problem through various cleaning processes and expect to use excess supply water from six containerized desalination units on site to be used to supply water under our Blue Hills contract to temporarily alleviate the production shortfall at the Windsor plant", concluded Mr. McTaggart.

Gross margin narrowed to 35.5% of total revenue in the most recent quarter, compared with 36.8% a year earlier, primarily due to the additional operating costs in the Company's Bulk segment as discussed above. Third quarter net income, which rose 138.0% from the prior-year period, benefited from the absence of $387,472 in losses related to Hurricane Ivan in the quarter ended September 30, 2004 and a lower General and Administrative expense ratio (23.8% of revenues versus 26.9% a year earlier).

For the nine months ended September 30, 2005, total revenue rose 4.4% to a record $18.8 million, versus $18.0 million in the corresponding period of 2004. Net income declined 6.0% to $3,864,760, or $0.32 per diluted share, compared with $4,111,990, or $0.35 per diluted share, in the nine months of 2004. The weighted average number of fully diluted shares outstanding increased to 12,082,027 in the nine months ended September 30, 2005, versus 11,723,580 in the prior-year period.

Joe Pivinski, the Company's Chief Financial Officer, noted that Consolidated had previously announced plans for an equity offering in The Bahamas to finance the construction of the Blue Hills plant and an expansion in production capacity at the Windsor plant on the Island of New Providence in the Commonwealth of The Bahamas. "The offering, which was available only to Bahamian investors, was successfully completed on November 4, 2005 and raised approximately $6.6 million, net, through the sale of Bahamian Depositary Receipts. The offering increased outstanding shares of the Company's common stock by

401,122. Combined with the Bahamian bond offering previously concluded on July 1, 2005, a net total of approximately $16.4 million was raised in The Bahamas."

The Company will host a conference call at 11:30 a.m. EST tomorrow, November 10, 2005. Shareholders and other interested parties may participate in the conference call by dialing 800-322-0079 (international participants dial 973-409-9258) and referencing the ID Code 6679358 a few minutes before 11:30 a.m. EST. A replay will be available two hours after the completion of the conference call from November 10, 2005 until November 17, 2005 by dialing 877-519-4471 for participants in the US/Canada (international participants dial 973-341-3080) and entering the Conference ID 6679358.

Consolidated Water Co. Ltd. is engaged in the development and operation of seawater conversion plants and/or water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. Consolidated currently operates water production and/or distribution facilities in the Cayman Islands, the British Virgin Islands, Barbados, Belize and the Commonwealth of the Bahamas.

The common stock of Consolidated Water Co. Ltd. is traded on the Nasdaq National Market under the symbol "CWCO". Additional information on the Company is available on its website at http://www.cwco.com.

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe", "estimate", "project", "intend", "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products and services in the marketplace, changes in its relationship with the Governments of the jurisdictions in which it operates, the ability to successfully secure contracts for water projects in other countries, the ability to develop and operate such projects profitably, the Company's ability to manage growth and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

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(Financial Highlights Follow)

CONSOLIDATED WATER CO. LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in United States Dollars)

	September 30, 2005 (unaudited)	December 31, 2004
ASSETS		
Current assets		
Cash and cash equivalents	$ 12,394,564	$ 9,216,908
Accounts receivable	3,972,888	4,879,410
Insurance claim receivable	-	1,932,905

Inventory	1,840,510	1,629,348
Prepaid expenses and other current assets	1,137,208	625,563
Current portion of loans receivable	718,386	924,020
Total current assets	20,063,556	19,208,154
Loans receivable, including $800,000 due from affiliate	2,591,881	2,270,326
Property, plant and equipment, net	26,821,536	27,218,589
Construction in progress, including interest of $187,500 and $nil in 2005 and 2004, respectively	11,086,092	1,642,813
Other assets	562,438	424,564
Investments in affiliates	11,355,190	11,070,848
Intangible assets	4,723,971	5,421,381
Goodwill	3,568,374	3,568,374
Total assets	$ 80,773,038	$ 70,825,049
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Dividends payable	$ 828,190	$ 783,854
Accounts payable and other current liabilities	3,004,259	3,860,511
Current portion of long term debt	3,721,144	3,733,144
Total current liabilities	7,553,593	8,377,509
Long term debt, including Series A bond issue of $10,000,000	20,185,633	12,856,226
Security deposits and other liabilities	357,957	357,957
Minority interest in Waterfields Company Limited	861,990	861,463
Total liabilities	28,959,173	22,453,155
Stockholders' equity		
Redeemable preferred stock, $0.60 par value. Authorized 200,000 shares; issued and outstanding 29,046 shares as at September 30, 2005 and 27,842 shares as at December 31, 2004	17,428	16,705
Class A common stock, $0.60 par value. Authorized 19,680,000 shares; issued and outstanding 11,768,038 shares as at September 30, 2005 and 11,506,970 shares as at December 31, 2004	7,060,823	6,904,183
Class B common stock, $0.60 par value. Authorized 120,000 shares	-	-
Stock and options earned but not issued	150,715	20,746
Additional paid-in capital	28,658,723	27,281,728
Retained earnings	15,926,176	14,148,532
Total stockholders' equity	51,813,865	48,371,894
Total liabilities and stockholders' equity	$ 80,773,038	$ 70,825,049

CONSOLIDATED WATER CO. LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Expressed in United States Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Retail water sales	$ 3,005,984	$ 2,522,708	$ 9,549,318	$ 9,634,096
Bulk water sales	2,869,852	2,552,605	8,435,746	7,716,477
Service revenue	328,550	203,741	829,676	675,543
Total revenue	6,204,386	5,279,054	18,814,740	18,026,116
Retail cost of sales	(1,329,128)	(1,280,030)	(3,881,939)	(4,071,181)
Bulk cost of sales	(2,448,101)	(1,913,867)	(7,023,888)	(5,808,369)
Service cost of sales	(224,743)	(142,734)	(526,409)	(447,851)
Total cost of sales	(4,001,972)	(3,336,631)	(11,432,236)	(10,327,401)
Gross profit	2,202,414	1,942,423	7,382,504	7,698,715
General and administrative expense	(1,477,898)	(1,419,611)	(4,421,675)	(3,892,809)
Net loss due to Hurricane Ivan	-	(387,472)	-	(387,472)
Income from operations	724,516	135,340	2,960,829	3,418,434
Other income (expense):				
Interest income	42,605	21,600	78,840	54,237
Interest expense	(214,736)	(183,622)	(661,216)	(503,040)
Other income	121,232	127,981	422,081	378,696
Equity in earnings of affiliate	337,248	340,367	1,055,186	846,480
Other income, net	286,349	306,326	894,891	776,373
Income before income taxes and minority interest	1,010,865	441,666	3,855,720	4,194,807
Income tax benefit (expense)	(6,822)	(6,836)	9,567	(21,011)
Minority interest recovery (expense)	5,306	(10,798)	(527)	(61,806)
Net income	$ 1,009,349	$ 424,032	$ 3,864,760	$ 4,111,990
Basic earnings per common share	$ 0.09	$ 0.04	$ 0.33	$ 0.36
Diluted earnings per common share	$ 0.08	$ 0.04	$ 0.32	$ 0.35
Dividends declared per common share	$ 0.06	$ 0.058	$ 0.178	$ 0.173
Weighted average number of common shares used in the determination of:				
Basic earnings per share	11,754,530	11,497,710	11,678,398	11,463,796
Diluted earnings per share	12,141,924	11,773,582	12,082,027	11,723,580

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Expressed in United States Dollars)

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Net cash flows provided by operating activities	$ 6,362,132	$ 5,297,563
Cash flows provided by (used in) investing activities		
Purchase of property, plant and equipment	(10,591,733)	(1,728,524)
Proceeds from sale of property, plant and equipment	-	20,000
Distribution of income from affiliate	1,136,250	681,750
Loan to affiliate	(800,000)	-
Collections from loans receivable	684,079	821,804
Net cash used in investing activities	(9,571,404)	(204,970)
Cash flows provided by (used in) financing activities		
Dividends paid	(2,042,781)	(1,888,200)
Proceeds from issuance of common stock	1,311,598	432,421
Proceeds from issuance of preferred stock	12,213	-
Net proceeds from issuance of Series A bonds	9,788,491	-
Principal payments of long term debt	(2,682,593)	(2,754,354)
Net cash provided by (used in) financing activities	6,386,928	(4,210,133)
Net increase in cash and cash equivalents	3,177,656	882,460
Cash and cash equivalents at beginning of period	9,216,908	8,236,924
Cash and cash equivalents at end of period	$ 12,394,564	$ 9,119,384
Interest paid in cash	$ 775,079	$ 430,861
Interest received in cash	$ 79,854	$ 54,237